

## Message Text

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PAGE 01 LONDON 11129 01 OF 02 211813Z

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-10 IO-10 ISO-00

OIC-02 FEA-01 SSO-00 NSCE-00 INRE-00 USIE-00 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02

OMB-01 /127 W

----- 011458

O R 211747Z JUL 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 3043

AMEMBASSY BRASILIA IMMEDIATE

AMCONSUL SAO PAULO IMMEDIATE

AMCONSUL RIO DE JANEIRO IMMEDIATE

INFO AMEMBASSY CANBERRA

AMEMBASSY BUJUMBURA

AMEMBASSY BOGOTA

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY QUITO

AMEMBASSY SAN SALVADOR

AMEMBASSY ADDIS ABABA

AMEMBASSY ACCRA

AMEMBASSY GUATEMALA

AMEMBASSY CONAKRY

AMEMBASSY PORT AU PRINCE

AMEMBASSY TEGUCIGALPA

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY NAIROBI

AMEMBASSY MONROVIA

AMEMBASSY MEXICO

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AMEMBASSY MANAGUA

AMCONSUL LUANDA  
AMEMBASSY YAOUNDE  
AMEMBASSY BANGUI  
AMEMBASSY COTONOU  
AMEMBASSY LIBREVILLE  
AMEMBASSY ABIDJAN  
AMEMBASSY TANANARIVE  
AMEMBASSY LOME  
AMEMBASSY PANAMA  
AMEMBASSY ASUNCION  
AMEMBASSY LIMA  
AMEMBASSY LISBON  
AMEMBASSY KIGALI  
AMEMBASSY FREETOWN  
AMEMBASSY DAR ES SALAAM  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY CARACAS  
AMEMBASSY KINSHASA  
AMEMBASSY LAGOS  
AMEMBASSY LA PAZ  
USMISSION GENEVA  
USMISSION EC BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LUXEMBOURG  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
USMISSION OECD PARIS  
AMCONSUL PORT MORESBY

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 11129

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJ: COFFEE: BRAZIL FROST REPORTS AND COFFEE NEGOTIA-  
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TIONS

REF: LONDON 10765

BRAZIL'S COFFEE CROP ARE HAVING EXTREMELY STRONG EFFECT  
ON LONDON TERMINAL MARKET AND CREATING UNCERTAINTY  
FOR NEXT ROUND OF INTERNATIONAL COFFEE AGREEMENT  
NEGOTIATIONS. END SUMMARY.

2. REPORTS OF WIDESPREAD FROST DAMAGE TO BRAZIL'S COFFEE CROP ARE HAVING A SHARP EFFECT ON LONDON'S COFFEE MARKET, WITH JULY 19 FINANCIAL TIMES REPORTING IT WAS "THE TURN OF THE COFFEE MARKET TO 'GO MAD' . . . WITH GAINS OF UP TO POUNDS 185 ON THE LONDON FUTURES MARKET YESTERDAY." BY CLOSE ON FRIDAY, SEPTEMBER POSITION ON THE LONDON ROBUSTA TERMINAL MARKET HAD REACHED POUNDS 667 A LONG TON, SOME POUNDS 200 HIGHER ON THE WEEK. A TRADER ON THE COFFEE TERMINAL MARKET TOLD THE EMBASSY THAT WILD ACTIVITY CONTINUED TODAY (JULY 21) WITH THE SEPTEMBER POSITION--ONLY TWENTY MINUTES TO CLOSING--AT POUNDS 780 (AFTER AT ONE TIME BEING UP MORE THAN POUNDS 200 OVER FRIDAY). 3,725 LOTS SO FAR TRADED. THIS SOURCE REPORTED THAT RUMORS WERE RIFE FOR EVEN HIGHER GAINS LATER.

3. THE INTERNATIONAL COFFEE ORGANIZATION (ICO) INDICATOR PRICES (BASED ON NEW YORK SAMPLINGS), ALSO SHOWED NOTABLE STRENGTHENING FOR MOST CATEGORIES AS FOLLOWS:

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CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

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CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 PRS-01 SP-02

OMB-01 /127 W

----- 011742

O R 211747Z JUL 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 3044

AMEMBASSY BRASILIA IMMEDIATE

AMCONSUL SAO PAULO IMMEDIATE  
AMCONSUL RIO DE JANEIRO IMMEDIATE  
INFO AMEMBASSY CANBERRA  
AMEMBASSY BUJUMBURA  
AMEMBASSY BOGOTA  
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AMEMBASSY QUITO  
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AMEMBASSY TEGUCIGALPA  
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AMEMBASSY MANAGUA  
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AMCONSUL PORT MORESBY

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	WEDNESDAY JULY 16	FRIDAY JULY 18
COLOMBIAN MILDS	69.63	81.25
OTHER MILDS	52.50	69.75

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UNWASHED ARABICAS	68.50	--
ROBUSTAS	49.38	52.25

THESE PRICES, OF COURSE, ARE NOT TRUE PRICES BUT PROBABLY DO GIVE A REASONABLY ACCURATE VIEW OF THE DIRECTION AND MAGNITUDE OF CHANGE (COLOMBIAN AND UNWASHED ARABICAS ARE INFLATED).

4. COMMENT: FROST REPORTS HAVE ALSO CREATED CONSIDERABLE UNCERTAINTY IN LONDON RE POSSIBLE EFFECTS ON THE SECOND ROUND OF NEGOTIATIONS OF A NEW INTERNATIONAL COFFEE AGREEMENT (ICA), SCHEDULED TO BEGIN HERE IN LATE OCTOBER. IF THE DAMAGE IS AS EXTENSIVE AS FIRST REPORTS INDICATE, COFFEE WILL BE IN TIGHT SUPPLY AND PRICES SHOULD REMAIN HIGH. THIS MIGHT WELL WEAKEN PRODUCER INTEREST IN NEGOTIATIONS. INITIAL REACTION OF BOTH THE BRAZILIAN LONDON REP (RAFFAELLI) AND THE OAMCAF REP (N'DIA) IN CONVERSATIONS WITH USREP, HOWEVER, WAS THAT WHILE THE FROST COULD COMPLICATE NEGOTIATIONS TECHNICALLY, POLITICAL WILL TO NEGOTIATE ON THE PART OF MAJOR PRODUCERS, AT LEAST, WAS INTACT. USREP IN TURN ASSURED THEM THAT IN HIS OPINION US INTEREST IN NEGOTIATING WOULD BE UNCHANGED.

5. ACTION REQUESTED: FOR BRAZIL POSTS: PLEASE INFO LONDON ON ALL CABLES CONCERNING FROST DAMAGE.

RICHARDSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, AGREEMENTS, NEGOTIATIONS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON11129  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750251-0826  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750737/aaaabhfp.tel  
**Line Count:** 271  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LONDON 10765  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 APR 2003 by ShawDG>; APPROVED <23 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COFFEE: BRAZIL FROST REPORTS AND COFFEE NEGOTIA- LIMITED OFFICIAL USE  
**TAGS:** ETRD, EAGR, ICC-INTERNATIONAL COFFEE COUNCIL  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006